



The President's Daily Brief

September 26, 1975

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FOR THE PRESIDENT ONLY

September 26, 1975

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OIL

The OPEC oil ministers adjourned yesterday without reaching a decision on prices. Another session is to begin today at 6 a.m. Washington time in an effort to reach a compromise.

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Most members support a rise of about 15 percent, but Saudi Arabia, and perhaps one or two others favor a smaller rise.

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The ministers met formally yesterday for about an hour, and then broke into small groups to discuss the price issue. Saudi Oil Minister Yamani left the meeting early, and, referring to his efforts to hold the price increase to less than 10 percent, told the press that "We are facing terrible opposition."

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The meeting broke up about an hour after Yamani left, and the other ministers indicated to the press that the proceedings were deadlocked.

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It is doubtful the Saudis will veto a 15-percent increase. Yamani told the press in London that he did not think he could agree to more than a 5-percent rise in oil prices. He did not, however, say he would veto a larger increase, and the Saudis may abstain today.

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USSR

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[redacted]
[redacted] the USSR recently bought
about three million metric tons of
wheat and other grains. [redacted]
these purchases would raise total
Soviet grain contracts to nearly 20
million tons, still 25 to 30 million
tons below their minimum requirements
for fiscal 1976.

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The recent purchases probably have been concluded with Canada, Argentina, Brazil, Spain, and the European Community. Additional purchases of grain are a virtual certainty once the US and Canadian moratoriums are lifted.

In addition to these grain purchases, the Soviets have bought 1.5 - 2 million tons of Brazilian soybeans, and another contract for one million tons is likely.

The Soviets are taking drastic steps to cope with their poor harvest. Officially released data on meat production and herd numbers in August confirm that distress slaughtering has begun. Soviet willingness to pay high rates for grain shipped on US ships is indicative of their need.

We still estimate the Soviet grain harvest this year at 170 million tons.

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LEBANON

The fighting in Beirut tapered off yesterday, but armed militiamen did not withdraw from the barricades in some areas and no solution to the underlying Christian-Muslim political impasse is in sight. One of the principal obstacles to Christian-Muslim reconciliation appears to be the adamant refusal of conservative Christian leaders--including President Franjiyah--to make any meaningful concessions to the Muslims.

A leader of the Maronite Christian community informed Ambassador Godley that Franjiyah and Phalangist leader Jumayyil told a meeting of Maronite leaders on Tuesday that they would refuse to consider any modification of the existing Lebanese political structure. Many less conservative Christians are convinced that compromise is the only way out. By now, Franjiyah is so discredited that he is not likely to survive in office for long.

Jumayyil apparently sees himself as the only barrier to an arrangement that would alter the Lebanese political system in favor of the Muslims. His intransigence is playing into the hands of those leftists and radical fedayeen groups determined to keep the conflict going.

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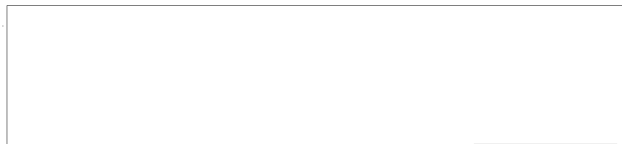
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SYRIA

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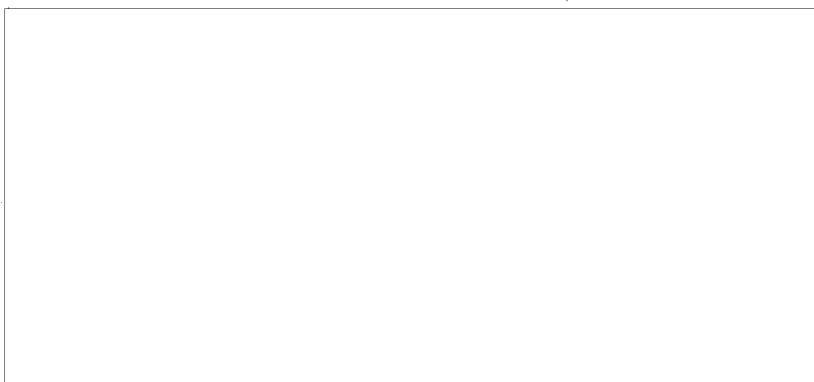
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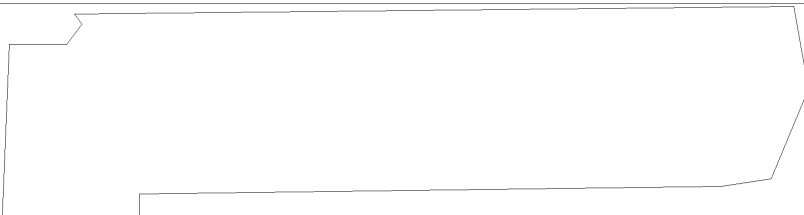
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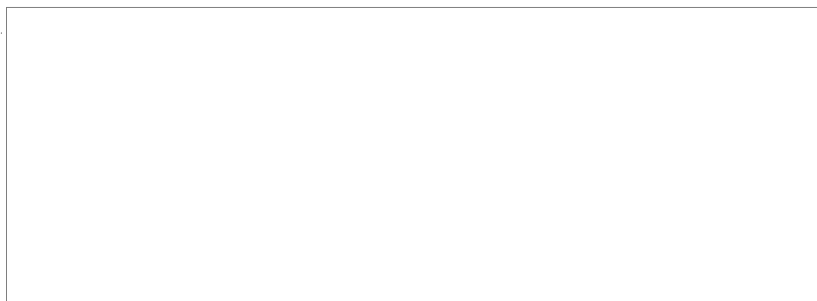
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MBFR

The force reduction talks, which re-open today in Vienna will be seen by West Europeans as the first major test of the "spirit of Helsinki." Some progress is anticipated in this round of the negotiations if the West can reach agreement on its long-awaited nuclear proposal.

The East has encouraged the belief that once a CSCE agreement had been concluded, progress at MBFR would follow. General Secretary Brezhnev--along with many Western leaders--has underlined the need to give priority attention to reducing armed forces in Central Europe.

Progress in Vienna may come when the West is able to overcome the reservations of some Europeans to the nuclear proposal that the US introduced in NATO last summer. Differences remain on two key areas in the plan: limitations on Allied armaments and the definition of a common ceiling for Warsaw Pact and NATO forces.

The West Germans are concerned that the introduction of the proposal may shift the emphasis at the MBFR talks from troop reductions to broader questions involving armaments. Both the Germans and the British are determined to use the nuclear plan to buy more than a formal commitment to a common ceiling, but they have not yet decided what the additional commitment should be. Western agreement to include air manpower in the common ceiling also has made it increasingly difficult to keep the focus on East-West ground force disparities.

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PORTUGAL

Several thousand Portuguese soldiers staged a peaceful anti-government demonstration in Lisbon last night, defying the new government to restore order and enforce military discipline. The enlisted men, members of an extreme-left organization called "Soldiers United Shall Win," demanded a more revolutionary government.

The demonstration is the latest in a series of breaches of military discipline that the government shall have to deal with if it is going to establish its authority. Other examples include:

--Anti-government demonstrations by the same organization in the northern city of Porto and in Sacavem, a Lisbon suburb.

--The theft of at least 1,000 automatic rifles from a military arsenal by a security forces officer, who later boasted that he had turned them over to "revolutionary workers."

--Creation of a second revolutionary enlisted men's organization in the Lisbon Military Region dedicated to ensuring a "progressive" orientation for the Armed Forces Movement.

--Refusal by military police to obey orders to go to Angola.

Military police clashed with hundreds of jobless Angolan refugees in Lisbon on Wednesday. Because of their well-publicized leftist leanings and their refusal to embark for Angola, the military police are special targets for the wrath of the returnees. According to the US embassy, army chief of staff Fabiao held a meeting with military region commanders and other key officers on Wednesday to discuss deteriorating discipline. The subject reportedly was also taken up at length yesterday in the Revolutionary Council.

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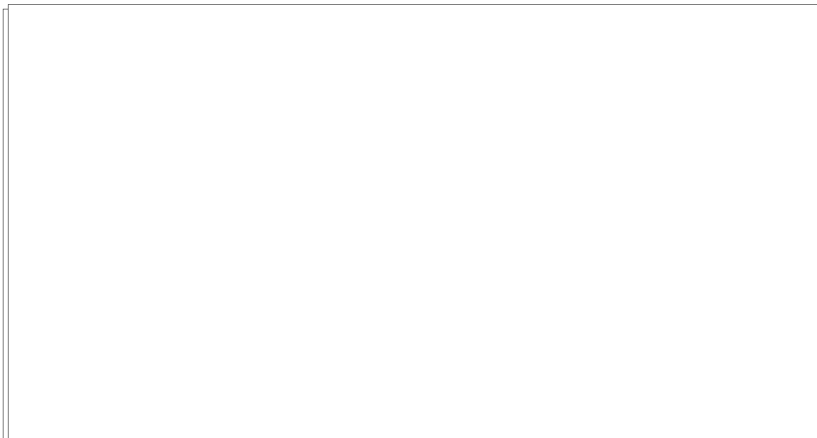
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Before it can hope to impose discipline, the Council will have to restrain two of its own members, Admiral Rosa Coutinho and General Carvalho, both leaders of the extreme left nationalist faction. Upon their return yesterday from Sweden, the two officers made statements which can only encourage the unruly troops. Rosa Coutinho described both last night's demonstration and the Communist-backed steelworkers' strike on Wednesday, which was an open challenge to the new anti-Communist labor minister, as "justified warnings." Not to be outdone, Carvalho said he was not worried that arms had been handed over by one of his security officers to leftists. He would be worried, Carvalho said, if the weapons had gone to the rightists.

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NOTES



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Chinese Premier Chou En-lai's health apparently has taken a turn for the worse.

Chou failed to meet North Vietnamese party chief Le Duan and British former prime minister Edward Heath during their visits to China this month. Both visitors met Chairman Mao and would normally meet Chou.

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The Chinese press is not keeping Chou's fragile health a secret. It published the remarks of Cambodian Deputy Prime Minister Khieu Samphan last month that Chou was "not in the best of health."

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North Korea has reacted negatively to our recent joint proposal with South Korea for a conference aimed at easing tensions.

A Pyongyang foreign ministry statement yesterday was mild in tone by North Korean standards, but contained a point-by-point rejection of well-established US - South Korean recommendations. The North Koreans refused to acknowledge that the US - South Korean proposal contains a major new element--the call for a conference on Korea initially to be attended by the parties directly concerned with the armistice (the US, North and South Korea, and China). There is no doubt that Pyongyang is opposed to the conference at this time. The North Koreans may well have labeled it "nothing new," rather than rejecting it outright in order to minimize charges that they are obstructionist and unwilling to engage in dialogue--a consideration of some importance as the vote at the UN on competing Korean resolutions nears. The North Koreans are probably concerned that the new US initiative could benefit the US and South Korea tactically in the General Assembly.

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[redacted] India [redacted]
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